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December 4, 2002

Ms Marlene H. Dortch
Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

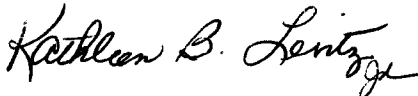
Re: CC Docket No. 95-116

Dear Ms Dortch:

This is to inform you that on December 4, 2002, Bill Shaughnessy and I, representing BellSouth, met with the following members of the Wireline Competition Bureau: Deena Shetler and Christopher Barnekov of the Competitive Pricing Division and Sanford Williams of the Telecommunications Access Policy Division. Angela Brown of BellSouth's Legal Department participated in the meeting by telephone. The purpose of the meeting was to discuss issues related to BellSouth's recovery of costs that BellSouth has been and continues to incur related to the implementation of local number portability by wireless carriers. The attached document formed the basis for the BellSouth presentation.

In accordance with Section 1.1206, I am filing this notice and the accompanying attachment electronically and request that you please place them in the record of the proceeding identified above. Thank you.

Sincerely,



Kathleen B. Levitz

Attachment

cc: Deena Shetler
Christopher Barnekov
Sanford Williams

***Wireline Cost Recovery
for
Implementation of Wireless Number Portability***

***BellSouth Telecommunications
CC Docket 95-116
December 4, 2002***

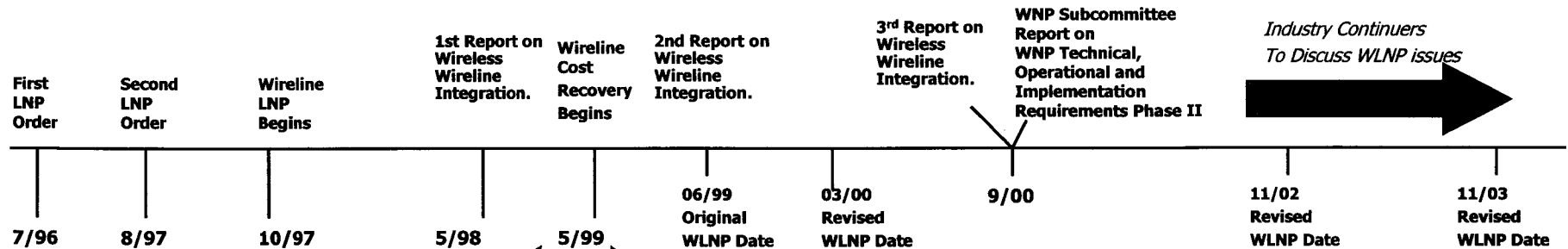
Service Provider Number Portability

- Wireless LNP is a subset of the overall service provider number portability obligation.
- In the 1996 First LNP Order the FCC established rules for the implementation of service provider number portability for both wireline and wireless service providers.
- In the 1997 Second LNP Order (Para 91), the FCC recognized that it would be necessary to modify and update the current local number portability standards in order to support wireless number portability and directed the NANC to develop these standards.
- In the 1998 Third LNP Order (Par 8 & 36), the FCC concluded that the costs of establishing number portability includes those costs that LECs incur to meet the obligations imposed by section 251(b)(2) (1996 Telecom Act) for the industry-wide solution to local number portability.
- Also, in the Third LNP Order, the FCC allowed rate of return LECs and price cap LECs to recover their carrier specific costs directly related to providing LNP through a federal tariffed, monthly number portability surcharge.
- The costs to support wireless LNP are carrier specific costs directly related to providing LNP that LECs must incur to meet the LNP requirement. These costs are separate and distinct from the cost to implement wireline LNP.

Wireless Local Number Portability

- WLNP will:
 - Impact network database capacities such as the capacity of SCPs
 - Impact OSSs that handle service order negotiation and LSR processing
 - Require new process flows for wireless porting
 - Require testing between wireless and wireline service providers
- BellSouth did not include these costs in its original 1999 LNP cost studies since WLNP costs were unknown at that time. WLNP requirements were still under development, and WLNP industry issues were unresolved.
- Examination of the record clearly shows that the requirements for wireless portability were not developed or finalized until after the implementation of wireline LNP.

Wireline Cost Recovery for Wireless LNP



Recoverable costs were either actual costs for implementation of wireline LNP or expected costs that could be quantified because wireline requirements were known.

It was impossible for wireline service providers to include the costs of WLNP in their LNP costs studies because the industry was still developing WLNP requirements and resolving WLNP issues.

Number Portability Milestones

- NANC held its first meeting to address local number portability issues on October 1, 1996.
 - At this meeting, the NANC established the Local Number Portability Administration Selection Working Group (Working Group)
 - The Working Group Report stated that the work plan and work done by related task forces was directed primarily to the wireline portion of the industry.
- In the Second Report & Order, released August 18, 1997, the Commission adopted the recommendations of the NANC as set forth in the NANC's Working Group Report to the FCC and directed the NANC to develop standards and procedures regarding the provision of number portability by CMRS providers.
- As directed by the Second Report & Order, NANC created the Wireless and Wireline Integration Task Force (WWITF) which began investigating wireless / wireline portability issues.

Number Portability Milestones

- In March 1998, the NANC notified the FCC that the implementation of WLNP might raise public policy issues.
- On May 18, 1998, the WWITF presented to NANC the *1st Report on Wireless Wireline Integration*.
- On June 30, 1999, the WWITF finalized the *2nd Report on Wireless Wireline Integration* to address the open issues that were identified in the initial integration report.
 - Issues addressed included: *Inter-Service Provider LNP Operations Flows, LSR/FOC Processing Interval, and Integrated LSR Forms.*
- On September 30, 2000, the WWITF finalized the *3rd Report on Wireless Wireline Integration*, which focuses on the issue of porting intervals.
- On September 26, 2000, NANC submitted to the FCC the WNP Subcommittee's report on Wireless Number Portability Technical, Operational, and Implementation Requirements Phase II.

Summary

- BellSouth did not include the costs for wireless LNP in its 1999 LNP cost study because the impacts of wireless LNP were unknown.
- Even if BellSouth included estimated costs for WLNP, the FCC probably would have rejected these costs because there was no supporting documentation.
- Wireline service providers should be allowed to recover their carrier specific costs for the implementation of WLNP, and should be allowed to modify the existing federal tariffed, monthly LNP surcharge.
- FCC should allow wireline service providers to recover the costs for implementing wireless portability either
 - by extending the LNP surcharge beyond 2004 or
 - by allowing service providers to increase their current LNP surcharge prior to the May 2004 expiration date.